

1. The meeting was called to order at 6:00 pm.
2. The Pledge of Allegiance was led by Chairman Harold Merritt.
3. Roll Call: Jack Davis, Neil Duncan, Mayor Moser, and Harold Merritt were present. Kevin Sair was excused. Nathan Bronemann took minutes. Legal Counsel was excused. Rod Mills (by telephone) and Bob Davis of Ensign Engineering were present.
4. Declarations of conflict of interests.

None stated.

5. Welcome newest member to the board and discussion and action on responsibilities

Harold Merritt welcomed Jack Davis to the Board.

Motion made by Mayor Moser to delay this item until item #10. Neil Duncan seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

6. Discussion and action on setting a read date, billing date and due date

Mayor Moser recommended that the meter reading dates be the 30th and 31st and that the billing date be the 5th and the due date be the 25th. Mayor Moser recommended that even though the closing of the purchase could be as soon as next week, that the district not start charging the new rates until they bill for September's usage in October.

Motion made by Mayor Moser to set those dates. Neil Duncan seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

Motion made by Neil Duncan to have the certified operator come in at least a week in advance to familiarize himself with the meter locations and system. Mayor Moser seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

7. Discussion and action on setting a date for new water rates to take effect

Motion made by Mayor Moser to set October 1st, 2012 as the date that the new rates take effect. XXX seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

8. Discussion on impact fees

Rod Mills said that they would need to update the impact fee study to accommodate the new legislation and then adjust and set an impact fee schedule for water and sewer. He said that he had a copy of the impact study that the Town had conducted several years back. He asked for permission to do so.

Motion made by Mayor Moser to allow Ensign Engineering to do that analysis and present it during next board meeting. Neil Duncan seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

Bob Davis clarified that the board would be able to decide where to set the impact fees within a range specified in the report.

Rod Mills added that they would recommend a specific amount based on the study and the surrounding areas' rates.

9. Discussion and review of liability and workers compensation insurance quote

Mayor Moser reported that they had received a quote from the Utah Local Government Trust which was \$2,500 for general liability and \$682.50 for workers compensation. He said that the Town was using ULGT for insurance needs and they had been good to work with. He said that they could get some additional quotes from other insurance companies.

Motion made by Mayor Moser to table this item until the meeting on September 5th, 2012 in order to get more quotes. Jack Davis seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

10. Acquisitions

Harold Merritt said that now he was chairman, he ought to be assigned to acquisitions and suggested that Jack Davis be assigned to oversee development.

Mayor Moser explained what was involved in development.

Jack Davis said that he could handle that responsibility.

Motion made by Harold Merritt to make those changes. Neil Duncan seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

11. Funding – Kevin Sair

Rod Mills reported that they were in the final stages of closing on the funding from the Division of Drinking Water. He said that prior to closing they wanted to make sure that funding was in place with Rural Development. He said that they had formally submitted the pro forma to Rural Development to make sure there would not be any issues. He said that they needed to show no environmental impact and submit that information.

Rod Mills reported that the Median Family Annual Income for Apple Valley has always been quite low as needed to qualify for funding. He said that the 2010 Census had an erroneous figure showing that the MFAI was much higher than it actually is. He said that hoped to get the funding approved before the end of the year in order to avoid any issues with that figure. He explained that if that did not happen in time, that there was another option that used the county's statistics.

Mayor Moser asked if they were still looking at a 45% grant match.

Rod Mills confirmed that there would be a 45% grant match.

Harold Merritt asked what the funding timeline would be.

Rod Mills said that they could get funding as early as 45 days from today from Rural Development. He said that the Division of Drinking Water would likely fund toward the end of August.

Jack Davis asked what steps Rod Mills was taking to get the funding accomplished.

Rod Mills said that Rural Development today began notifying shareholders of the district's plans to make sure that there were no endangered species or any tribal lands that would be affected. He said that that would be concluded by Monday and that finding should be consistent with Ensign Engineering's study stating that there is no impact. He said that those finding would remain open for 30 days to make sure that nothing changed. After that period, Rural Development would allocate funds to the district's project. After the allocation, there was a checklist of items that needs to be completed over several months before funding is actually paid out.

He said that they would be receiving income from 218 users, 151 standby users, and 3 new connections per year. That is based on a growth rate of 1.5% which is very conservative. He said that there would be a 10% capitol replacement fund required. He said that there would be an operation and maintenance budget of about \$60,000 per year.

Jack Davis said that he was concerned with the environmental impact study and the environmentalists.

Rod Mills said that they did not anticipate any possible impact that should be raised by this project. He said that they should know when they will be receiving Rural Development funding sometime next month.

Harold Merritt asked if they should continue with the water purchase at this time.

Rod Mills said that he didn't anticipate any major concerns with the funding for the purchase of the water companies. He said that Rural Development required that construction begin within a year after the funding is approved.

Bob Davis asked about the timeline of when the certified operator will begin to start work.

Mayor Moser said that the certified operator would not need to start until the purchase has closed.

12. Operations – Neil Duncan

See above.

13. Resource Management – Mayor Moser

See item #12.

14. Development – Harold Merritt

See item #12.

15. Consider approval of minutes:

- a. August 1, 2012 Regular Meeting Minutes
Motion made by Jack Davis to approve the August 1, 2012 regular meeting minutes.
Neil Duncan seconded the motion. Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

16. Request for a closed session

None requested.

17. Adjournment

Motion made by Mayor Moser to adjourn the meeting. Neil Duncan seconded the motion.
Vote: Neil Duncan-yes, Mayor Moser-yes, Harold Merritt-yes, Jack Davis-yes. The motion passed 4/0.

Meeting adjourned at approximately 7:06 PM.

Date approved: _____

ATTEST BY: _____
Nathan Bronemann

Chairman Harold Merritt